

25X1

82 8076702 SCO PAGE 001 NC 8076702
TOR: 250415Z FEB 82

00 RUEAIIIB
ZNY CCCCC ZOC STATE ZZH
STU1709
00 RUEHC
DE RUCBSGG #0340 0560338
ZNY CCCCC
O 242250Z FEB 82
FM AMCONSUL ANTIGUA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0870
INFO RUEHCR/AMEMBASSY BRIDGETOWN IMMEDIATE 0920
BT
C O N F I D E N T I A L

LIMITED OFFICIAL USE ANTIGUA 00152

E.O. 12065: N/A
SUBJECT: PRESIDENT REAGAN'S SPEECH TO THE OAS--INITIAL REACTION GOAB
1. PRESIDENT REAGAN'S SPEECH ON THE CARIBBEAN BASIN INITIATIVE WAS
RECEIVED WARMLY IN ANTIGUA AND BARBUDA. THE GOVERNMENT IS PREPARING
A DETAILED OFFICIAL PRESS RELEASE. IN THE INTERIM, THE GOAB WILL
INCLUDE AN INITIAL RESPONSE IN A BUDGET STATEMENT WHICH THE DEPUTY
PRIME-MINISTER AND FOREIGN MINISTER LESTER BIRD WILL DELIVER TO
PARLIAMENT AT 1000 LOCAL THURSDAY, FEBRUARY 25. HIS COMMENTS ON THE
SPEECH WILL BE AS FOLLOWS.

QUOTE

MR. SPEAKER, AS YOU ARE AWARE THE UNITED STATES PRESIDENT LAST
NIGHT DISCLOSED A NUMBER OF MEASURES TO PROMOTE THE DEVELOPMENT
OF CARIBBEAN BASIN COUNTRIES. AMONG THOSE MEASURES IS DUTY FREE
TREATMENT FOR 12 YEARS ON CARIBBEAN GOODS OTHER THAN TEXTILES
EXPORTED TO THE U.S.A. IN THAT CONTEXT, ANTIGUA AND BARBUDA WILL NOW
BE ABLE TO ATTRACT MORE FACTORY-OPERATIONS TO ITS SHORES, SINCE THESE
OPERATIONS WILL BE ABLE TO EXPORT TO THE UNITED STATES ON A VIRTUAL
DUTY-FREE BASIS. EXISTING EXPORT-ORIENTED INDUSTRIES SUCH AS RUM

CONFIDENTIAL

State Dept. review completed

CONFIDENTIAL

STATE

82 8076702

SCO

PAGE 002

NC 8076702

TOR: 250415Z FEB 82

WILL GREATLY BENEFIT FROM THE MEASURES ANNOUNCED BY MR. REAGAN. AND AS FAR AS TEXTILES ARE CONCERNED, EVEN THOUGH DUTY IS STILL PAYABLE, THE QUOTA HAS BEEN ENLARGED. THUS, OUR GARMENT INDUSTRIES, EXPORTING TO THE UNITED STATES, WILL BENEFIT FROM A NEW LEASE OF LIFE. ANOTHER AREA, ANNOUNCED BY THE U.S. PRESIDENT, WHICH WILL BENEFIT ANTIGUA AND BARBUDA'S MANUFACTURING SECTOR IS THE REDUCTION ON THE REQUIREMENT FOR VALUE-ADDED FROM 35PERCENT TO 25PERCENT. THIS MEANS THAT WE WILL BE ABLE TO ATTRACT GREATER FOREIGN INVESTMENT IN ASSEMBLY INDUSTRIES. I ALSO WISH TO DRAW TO THE ATTENTION OF THIS HONOURABLE HOUSE THAT THE U.S. PRESIDENT HAS ALSO INDICATED THAT U.S. BUSINESSMEN INVESTING IN THE CARIBBEAN BASIN COUNTRIES WILL BE GIVEN SIGNIFICANT TAX INCENTIVES.

I NEED NOT SAY MORE TO THIS HONOURABLE HOUSE THAN IT IS CLEAR THAT EMPLOYMENT WILL BE INCREASED IN THE MANUFACTURING SECTOR. AND, MR. SPEAKER WHAT IS PARTICULARLY HEARTENING ABOUT THE U.S. PRESIDENT'S STATEMENT IS THAT THE U.S. ADMINISTRATION WILL ENTER INTO DIRECT BILATERAL ASSISTANCE PROGRAMMES FOR INFRA-STRUCTURAL DEVELOPMENT IN THE EASTERN CARIBBEAN. THIS IS A POINT THAT BOTH THE PRIME MINISTER AND I HAVE BEEN HAMMERING HOME BOTH PRIVATELY AND PUBLICLY TO THE UNITED STATES GOVERNMENT.

PRESIDENT REAGAN'S ANNOUNCEMENT, THEREFORE, IS WELCOME NEWS TO ANTIGUA AND BARBUDA AND IS A FIRM INDICATION THAT THE U.S. ADMINISTRATION GENUINELY WISHES TO PLAY A MEANINGFUL ROLE IN CARIBBEAN DEVELOPMENT. WE LOOK FORWARD TO THE EARLY IMPLEMENTATION OF THE U.S. INITIATIVE.

UNQUOTE.

BYRNES

END OF MESSAGE

CONFIDENTIAL